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ABSTRACT

Official Development Assistance (ODA) is an increasingly important part of foreign aid budgets. Countries that offer foreign aid to other nations do so for many, often contradictory reasons that range from national security and economic self-interest to humanitarian concerns. Every donor state uses ODA as an instrument of its foreign policy. This paper describes findings of a study that examined the relationship between Japan's and the United States' officially stated foreign-aid objectives and the trainees who participate in the two countries' programs. The study analyzed the links between aid flows and policy positions by determining the correlation between numbers of participating trainees by recipient country and three possible donor policy indicators. The data indicate that neither the Japanese nor the United States' participant-training practices match their official foreign policy objectives. Despite changes in policy to emphasize humanitarian interests, Japan offers trainee opportunities to its trading partners significantly more often than to other developing countries. Neither of the agencies that administer training programs in Japan reflect humanitarian policy objectives. The United States adheres to a humanitarian policy as part of its development-assistance statements; however, the data show that the United States trains more people from countries with large gross national products (GNPs) per capita than from countries with smaller GNPs. Additionally, the participant-trainee programs do not reflect the United States' stated foreign-policy objective of promoting economic interests. Six tables are included. (Contains 11 references.) (LMI)

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A Comparative Analysis of Aid Policies for Human Resource Development: United States and Japan

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Introduction and History

Official Development Assistance is an increasingly important part of foreign aid budgets. ODA transfers have more than doubled since 1970, in inflation-adjusted dollars, and now exceed $50 billion.[1] Countries that offer foreign aid to other nations do so for many, often contradictory, reasons. Their motivations range from national security and economic self interest, to humanitarian concerns. Historical, political, bureaucratic, and cultural differences also influence official donor policies, making it difficult to conduct cross-national research on Official Development Assistance (ODA). However, it is reasonable to assume that every donor state uses ODA as an instrument of its foreign policy. Therefore, ODA funding allocations should reflect a state's official foreign policy priorities.

Foreign aid budgets generally include funds to support human resource development activities in the donor state for participants from developing countries. They are one important part of donor states' ODA budgets and activities. Each state's foreign policy priorities should be reflected in the selection of people that participate in the training programs. This research examined the relationship between Japanese and U.S. officially stated objectives for foreign aid and the trainees who actually participate in these two donor countries' programs. Because more than one government agency is often engaged in making foreign policy and distributing aid, we also compared the policies and practices of two different Japanese ODA participant training programs with each other.

Japan

Japanese Official Development Assistance began in 1954 as compensation to countries that it invaded during World War II. In the same year, it joined the Colombo Plan and started its technical cooperation projects. However, the main purpose of ODA was to encourage the export of Japanese products and assure the provision of natural resources, such as oil and iron. This clear commercial interest continued as a key ODA objective until 1973. Participant training programs were not an important part of ODA before this date.[2]

The Japanese presence grew with the expansion of its ODA and direct investments to developing countries, especially in Asia. In 1974, when the U.S. Congress mandated its USAID technical assistance programs to promote agricultural and rural development, Japan also started paying more attention to its human-oriented aid projects. Japan had also faced severe criticism from other Asian countries for the way it used ODA for economic gain. When Prime Minister Tanaka visited the Southeast Asian countries that were the largest recipients of Japan's ODA that same year, he encountered several riots against these Japanese policies. Following this trip, the Japanese government started paying more attention to its participant training programs. The foundations for the programs that exist today were formulated during this period.

From 1978 to 1988, Japan's ODA expanded rapidly, following three national plans. In 1978, Prime Minister Ohira supported the ASEAN Manpower Training Plan as evidence of his commitment to technical assistance programs. As a result, technical cooperation has become an important part of Japan's aid to developing countries and remains so today. During this period, the technical assistance budget increased from 11 to 22 percent.

In 1989, Japan became the largest ODA donor country in the world with a budget of more than nine billion dollars. Since then it has vied for first place with the United States for this distinction. To counter criticism from the international community, the Japanese government is now trying to create a new ODA policy. It published two different white papers on Japanese

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[1]Steven Hook, "Self Interest and Foreign Economic Policy: A Cross-National Perspective." *International Studies Notes*, Vol.*19*, no. 1, 1994, pp. 26-36.

[2]Junpei Kato, *A Study of Aid Administration in Japan*, pp. 41-48.

Development Assistance between 1958 and 1988.[3] One was written by the Ministry of Foreign Affairs (MOFA).[4] This document stressed the importance of political factors in influencing Japan's foreign policy, such as its role in international organizations and bilateral security issues.

The second document was written by the Ministry of International Trade and Industry (MITI).[5] It emphasized Japan's economic interests in foreign policy, such as the need to expand export markets, conserve natural resources, and stabilize the world economy. The Japanese government has successfully helped Japanese industry sell its manufacturing plants and equipment to ODA recipient countries. Technical trainees learn how to operate Japanese-produced machines. During the oil crisis in the late 1970's, for example, the Japanese government announced that it would use ODA to assure continued flow of oil to Japan. ODA funded training programs were created to maintain good relationships with oil-producing countries. After the yen appreciated in the late 1980's, many Japanese companies moved their production sites to South East Asia, where Japanese ODA concentrated on constructing economic infrastructures, and Japan's training programs focused on human resource development. In analyzing these two documents from MOFA and MITI, Inada has noted an historical change in Japan's foreign policy objectives from national self-interest to international public-interest goals, and from economic interests to political concerns.[6]

The most recent ODA guiding principles were released by the Japanese government in June, 1992. The three main objectives of Japan's ODA today are humanitarian considerations, recognition of the interdependence of nations, and conservation of the environment.[7] The first and second objectives were also mentioned by MOFA in its white paper[8] and are long-standing goals that have appeared in many foreign policy reports (the Pearson Report, 1969; the Tinbergen Report, 1970; and the Brandt Committee report, 1980). The third objective was added to reflect an increasing emphasis on the environment, a priority that was first noted at the (1992) United Nations Conference for Environment and Development (UNCED).

In addition to these three principles, the document also emphasized the importance of self-help efforts on the part of developing nations that receive ODA. This orientation reflects Japan's own development experience after World War II where it pulled itself out of poverty and defeat through hard work and education. Japan has consistently used its own experience to justify its policy of awarding large amounts of aid in the form of loans rather than grants, particularly in East Asia, and to invest heavily in human resource development. Japan considers training programs an important way for people to learn how to help themselves.

United States

More agencies distribute foreign aid in the United States than in Japan, and even within the human resource development field, the programs are more decentralized. In general, the United

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[3]Juichi Inada, "The Role and Influence of Japan's ODA in the International System." *International Relations*, Vol *93*, Tokyo, 1990, pp. 117-120.

[4]Wagakuni No Seifukaihatsuenjo" (Japan's Official Development Assistance)

[5]"Keizaikyoryoku No Genjo To Mondaiten" (Conditions and Problems of Economic Cooperation).

[6]Inada, pp. 117-120.

[7]MITI, *Keizaikyoryoku No Genjo To Mondaiten* (Conditions and Problems of Economic Cooperation), Tokyo, 1992, pp. 43-48.

[8]Tadahiro Abe, *Foreign Aid Policy- Japan and the U.S.* Cambridge, MA., 1991. p. 11.

States has highlighted both political security and humanitarian motives in its development assistance policies. The U.S. places a priority on spreading "democracy" and "liberty" to developing countries in its official documents, but at the same time, it has not neglected aid that promotes its own security. For instance, in 1970, Vietnam received the most development assistance aid from the U.S. By 1989, with trouble brewing in the Middle East, the two largest recipient countries changed to Israel and Egypt, who together received almost 30% of the total U.S. aid budget.

Participant Training

Both Japan and the United States fund and administer large participant training programs as part of their human resource development initiatives. Table 1 shows the number of trainees in the two countries in 1989 by country of origin.

Japan

The Japanese government gives two purposes for supporting participant training programs. The first is, "to provide specialized training so as to contribute to the social and economic development of the countries of origin of the trainees." The second is, "to promote friendship between Japan and developing countries."[9]

Two major agencies administer participant training in Japan. The largest is the Japan International Cooperation Agency (JICA) which handles government-based trainees. JICA is administered by the Ministry of Foreign Affairs (MOFA). It accepts trainees based on agreements between the Japanese government and the governments of developing countries or international organizations. Trainees are prepared to work in areas like public administration, agriculture, tourism, human resource development, medicine, and social welfare.

The second program is the Association for Overseas Trainees and Scholarship (AOTS). AOTS is administered by the Ministry of International Trade and Indusry (MITI). It prepares trainees for the private sector with funding from the Japanese government and Japanese private enterprise. AOTS trainees work in business- and industry-related areas. Over the past 40 years, JICA has trained 95,715 people and AOTS has prepared 43,841 trainees.[10] In 1990, Japan accepted 11,953 ODA supported trainees from developing countries, 93 percent of whom came through the JICA and AOTS programs. Because of differences in control and function, this study analyzes the two programs separately. Table 2 shows the number of trainees in the JICA and AOTS programs in 1989 by country of origin.

United States

Participant training has been a major activity of U.S. foreign assistance since before the establishment of the Marshall Plan. International exchange and training programs are administered by 23 different U.S. government agencies including the Departments of Defense, Education, and Health and Human Services.[11] The largest agency involved in participant training is the United States Agency for International Development (USAID). USAID's Participant Training Program, funded under the Foreign Assistance Act of 1961, provides "technical and academic training in the United States for foreign nationals participating in AID economic assistance projects in developing countries."[12] Participants generally come from the government, industry or academic world and

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[9]MOFA, *Japan's ODA*, Tokyo, 1988, p. 75.

[10]MITI, p. 221-230.

[11]U.S. Information Agency. *International Exchange and Training Programs of the U.S. Government. Annual Report Fiscal Year 1989.* Washington, D.C. 1989, p. 2.

[12]U.S. Information Agency, *International Exchange and Training Programs of the U.S. Government. Annual Report Fiscal Year 1989*, Washington, D.C. p. 4.

most of them are already skilled in their professions. USAID and its predecessor agencies have trained more than 300,000 people during the last 46 years.

U.S. participant training programs are divided into "academic" training that takes place in higher education institutions and lead to an academic degree; and "technical" training. Technical training includes observational visits, on-the-job training, or training in an academic institution for a special course or certificate. The major fields of training are: agriculture, industry/energy, public and business administration, health, and nutrition. Private sector and non-profit organizations generally oversee the administration of these programs. In fiscal 1991, about 16,400 trainees were in the U.S. Almost half of them were in technical training programs, 20% were in undergraduate programs, 20% were in masters programs, and 11% were in Ph.D. programs.[13] In a recent budget report, USAID stated that, "Economic self-interest has become an increasingly prominent rationale for U.S. development assistance efforts." [14]

Method

This research contrasted the approaches to ODA by Japan's two major funding agencies and the USAID approach. We argued that the objectives of the training programs should be reflected in the distribution of training opportunities. We empirically analyzed the links between aid flows and policy positions by determining the correlation between numbers of participant trainees by recipient country and three possible donor policy indicators.

The dependent variables in this study were the number of trainees who were accepted in 1989 from 110 ODA recipient countries to Japan (JICA and AOTS) and the United States (USAID). Each independent variable indicated a different donor policy. The first one, termed "the equal distribution factor," is measured by the 1989 population of each major ODA recipient country. This factor is based on the assumption that if the donor country values equality of opportunity in ODA recipient countries, then the number of trainees selected should be proportional to the size of the country's population. Actually, the Japanese government mentioned the importance of equally distributing Japanese ODA in its white papers when justifying Japan's heavy investment in Asian countries.[15] This factor was not mentioned in USAID policies.

The second factor, termed "the humanitarian factor," uses the 1989 Gross National Product (GNP) per capita of each of the major ODA recipient countries.[16] If the ODA training programs follow humanitarian objectives, then more training opportunities should be offered to ODA countries with lower GNP's per capita. This assumption has some limitations since GNP is a measure of national wealth. Some countries have relatively high GNP's, but because their wealth is so unevenly distributed, a higher proportion of their population is below the poverty line than other countries with lower GNP's. However, many previous studies have used GNP per capita as an indicator of living standard as it is utilized here.

The third factor, termed "the economic factor," uses the sum of the exports from the donor country (Japan or the U.S.) to the ODA recipient country, and from the recipient country to the donor country. This variable is based on the assumption that if the objective of training programs is commercial, more training opportunities will be offered to recipient countries that have a strong

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[13]United States Agency for International Development. *Congressional Presentation Fiscal Year, 1993*, Main Volume, p. 53.

[14]Administrator, USAID, *Development and the National Interest: U.S. Economic Assistance into the 21st Century*. Washington, DC, 1989. p.19

[15]MITI, *Keizaikyoryoku No Genjo To Mondaiten* (Conditions and Problems of Economic Cooperation), Tokyo, 1992, pp. 43-48.

[16]*1991 World Development Report.*

trading relationship with the donor country than countries without this relationship. The import-export figures were obtained from the Ministry of International trade and Industry report for Japan,[17] and the Organization for Economic Cooperation and Development report for the U.S.[18]

The following regression equation used the logarithmic values of variables with skewed distributions in order to normalize them.[19] The equation is *Log (number of trainees from an ODA recipient country in 1989)=ß0+ß1*Log (population of the ODA recipient country in 1989)+ß2*Log (Gross National Product per capita of an ODA recipient country in 1989)+ß3*Log (amount of exports from the donor country to an ODA recipient country in 1989 + the amount of imports from an ODA recipient country to the donor country in 1989)+e (error).

Results

Table 3 shows that "equal distribution" and "economic" factors are significantly correlated with the distribution of training opportunities in Japan, while the "humanitarian factor" is not. In contrast, the "humanitarian factor" is significantly correlated with distribution of training opportunities for U.S. ODA funding, however the correlation is positive, which means that training opportunities offered by the United States are more likely to be given to people in richer, not poorer nations. The "equal distribution" factor is not related to U.S. ODA and the "economic" factor is negatively related to USAID assistance.

Table 4 shows that in spite of differences in policy statements and funding agencies, both JICA and AOTS programs reflect the overall results for Japan: the "equal distribution" and the "economic" factor significantly affect the distribution of training opportunities, while the "humanitarian" factor is not correlated with trainee opportunity.

Discussion

This study shows that neither the Japanese nor the United States' participant training practices match their official foreign policy objectives. In spite of changes in policy to emphasize humanitarian interests, Japan is offering trainee opportunities to its trading partners significantly more often than to other developing countries, continuing a practice that other countries have accused it of promoting for some time. Neither of the agencies that administer training programs in Japan reflect a humanitarian policy in their practices. However, Japan does appear to be following the equal distribution of trainee opportunity policy that it promotes in its relations with Asian countries.

The United States adheres to a humanitarian policy as part of its development assistance statements, yet this study indicates that it trains more people from countries with large Gross National Products per capita than small ones. United States practices appear to be in direct opposition to official U.S. policy. In addition, although the United States now claims to be promoting economic interests in its foreign policy initiatives, the participant trainee programs do not reflect this economic motive.

Although regression analyses have their own limitations in inferring cause and effect among variables, this study is a first step in exploring ways to conduct cross-national studies of development assistance programs that distinguish between policy and practice. The approach is useful in analyzing these issues bilaterally as well as within a single country. Coupled with descriptive case studies and statistical analyses that examine more variables across time, it can be a powerful tool in studying the relation between foreign policies and actual aid flows in the participant training arena.

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[17]MITI, Keizaikyoryokuno Genjoto Mondaiten 1992 (Present Conditions and Problems of Economic Cooperation).

[18]OECD, *Monthly Statistics of Foreign Trade*, April 1992.

[19]Samprit Chatterjee et.al. *Regression Analysis By Example*, New York, 1991, p. 2.

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Table 1
Major countries of origin in Japan and US 1989-1990

Rank	number	country	number	country
1	1157	Thailand	2089	Pakistan
2	1073	China	1613	ElSalvador
3	984	Indnesia	1136	Honduras
4	810	Malaysia	1080	Guatemala
5	670	Philippine	1062	Indnesia
6	494	R.Korea	1054	Egypt
7	475	Brazil	814	CostaRica
8	310	Singapore	647	R.Dominica
9	245	India	618	India
10	202	Mexico	565	Yemen
11	197	Argentina	500	Tunisia
12	196	Srilanka	427	Morocco
13	193	Peru	384	Peru
14	150	Egypt	314	Senegal
15	142	Bangladesh	298	Philippine
16	141	Kenya	294	Srilanka
17	135	Pakistan	272	Jordan
18	114	P.Newguinea	268	Jamaica
19	105	Chile	260	Oman
20	103	Nepal	250	Bangladesh

Table 2
Major countries of origin in JICA and AOTS 1989-1990

Rank	number	country	number	country
1	687	Thailand	703	China
2	685	Indnesia	470	Thailand
3	558	Malaysia	299	Indnesia
4	553	Philippine	252	Malaysia
5	370	China	205	R.Korea
6	344	Brazil	143	India
7	289	R.Korea	131	Brazil
8	251	Singapore	117	Philippine
9	182	Peru	68	Argentina
10	166	Mexico	59	Singapore
11	161	Srilanka	38	Pakistan
12	142	Egypt	36	Mexico
13	133	Kenya	35	Srilanka
14	132	Bangladesh	30	SaudiArabia
15	129	Argentina	15	Kuwait
16	103	P.Newguinea	13	Colombia
17	102	India	12	Sudan
18	100	Paraguay	11	Peru
19	99	Nepal	11	P.Newguinea
20	97	Pakistan	11	U.A.E.

Table 3 Effects on Geographical Distribution of Training Opportunities of Japan and US 1989*

*Dependent variable

Independent variables	Japan	US
Log Population of Recipient Country	0.46***	0.51
	0.14	0.31
Log GNP per Capita	0.03	1.09**
	0.21	0.49
Log Economic Relation (Export + Import)	0.35***	-0.16
	0.11	0.24
R squared	0.62	0.27
Adjusted R squared	0.59	0.16

Data Reported as: Coefficient
Standard Error

*** p<0.01
** p<0.05
* p<0.10

Variables Definitions:
Training Opportunities of Japan:
Number of trainees who were accepted by JICA and AOTS in 1989 from an ODA recipient country
Training Opportunities of US:
Number of Trainees who were accepted by USAID in 1989 from an ODA recipient country
Log Population of Recipient Country:
Log (Population of an ODA recipient country in 1989)
Log GNP per capita: Log (GNP per capita in 1989)
Log Economic Relation:
Log (Amount of Export from Japan or US to an ODA recipient country in 1989 + Amount of Import from the ODA recipient country to Japan or US in 1989)

Table 4 Effects on Geographical Distribution of Training Opportunities of JICA and AOTS 1989*		*Dependent variable
Independent variables	JICA	AOTS
Log Population of Recipient Country	0.46*** 0.16	0.44*** 0.16
Log GNP per Capita	(-0.04) 0.23	0.17 0.23
Log Economic Relation (Export + Import)	0.25** 0.12	0.61*** 0.13
R squared Adjusted R squared	0.52 0.48	0.72 0.69

Data Reported as: Coefficient
Standard Error

*** p<0.01
** p<0.05
* p<0.10

Variables Definitions:

Training Opportunities of JICA and AOTS:
Number of trainees who were accepted by JICA and AOTS in 1989 from an ODA recipient country

Log (Population of an ODA recipient country in 1989)

Log GNP per capita: Log (GNP per capita in 1989)

Log Economic Relation:
Log (Amount of Export from Japan to an ODA recipient country in 1989 + Amount of Import from the ODA recipient country to Japan in 1989)

Table 3 Correlation of Independent Variables (Japan)				
		1	2	3
Log Population of Recipient Country	1	1		
Log GNP per Capita	2	-0.3143	1	
Log Economic Relation (Export + Import)	3	0.31028	0.2866	1

Variables Definitions:
Log Economic Relation:
Log(Amount of Export from Japan to an ODA recipient country in 1989 +
Amount of Import from the ODA recipient country to Japan in 1989)

Table 4 Correlation of Independent Variables (US)				
		1	2	3
Log Population of Recipient Country	1	1		
Log GNP per Capita	2	-0.3143	1	
Log Economic Relation (Export + Import)	3	0.39059	0.24396	1

Variables Definitions:
Log Economic Relation:
Log(Amount of Export from US to an ODA recipient country in 1989 +
Amount of Import from the ODA recipient country to US in 1989)